

## YOUR SIGNATURE AND AUTHORIZATION

The undersigned authorized representative of the firm, or individual if this application is for an individual, agrees to all to the following:

- The statements and representations made in this application are true and complete and, if issued, this application and any supplements will be attached to and made a part of the policy.
- If the information supplied in this application changes between the date of the application and the effective date of any insurance policy issued by St. Paul Travelers in response to this application, you will immediately notify us of such changes, and we may withdraw or modify any outstanding quotation or agreement to bind coverage.
- The St. Paul Travelers is authorized to make an investigation and inquiry in connection with this application.
- The St. Paul Travelers is not bound or obligated to issue any insurance policy or to provide the insurance requested in this application.

Signature (Partner, Member, Officer, Proprietor)

*Burton Blab*

Title

*Partner*

Date

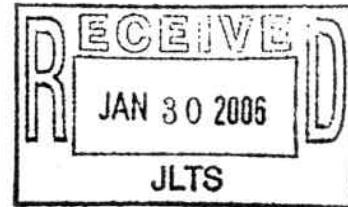
*1/20/06*

Important Note: This application is not a representation that coverage does or does not exist for any particular claim or loss, or type of claim or loss, under any insurance policy issued by St. Paul Travelers. Whether coverage exists or does not exist for any particular claim or loss under any such policy depends on the facts and circumstances involved in the claim or loss and all applicable wording of the policy actually issued.

## INSURANCE AGENT OR BROKER MUST COMPLETE THE FOLLOWING:

Broker or Agent Name	Soliciting Producer Name		
Broker or Agent License No.	City	State	Date submitted

Return this application to your insurance agent. Agents should forward this submission to JLT Services Corporation, 13 Cornell Road, Latham, NY 12110, Telephone: 1-800-998-5545, Facsimile: 518-782-3139.





St. Paul Travelers 1<sup>ST</sup> Choice<sup>SM</sup>  
Lawyers Professional Liability Insurance Real Estate Practice Supplement

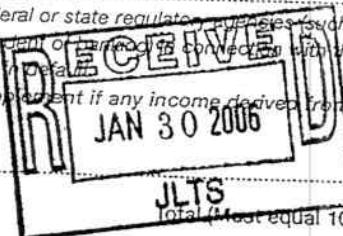
St. Paul Fire and Marine Insurance Company, Saint Paul, Minnesota  
St. Paul Mercury Insurance Company, Saint Paul, Minnesota  
St. Paul Guardian Insurance Company, Saint Paul, Minnesota

Please complete this Supplement and submit it to St. Paul Travelers along with your completed Lawyers Professional Liability Insurance Application, (form 58459) if instructed to do so. You agree that this Supplement will become part of your application for Lawyers Professional Liability Insurance and is subject to the same terms.

1. Name(s) of Legal Entity(ies) to be insured (as referenced on your letterhead)

REAL ESTATE PRACTICE BREAKDOWN

		Current Year	Previous 12 Months
2. What percent of your real estate practice receipts for the current year and preceding year have come from the following areas:			
a. Purchase and Sale	Residential Property .....	30 %	30 %
	Commercial..... e.g., transactional work performed on behalf of buyers or sellers including negotiations and drafting of earnest money contracts (purchase agreements), option agreements, deeds and other closing documents, representation at closing and other related activities.	30 %	30 %
b. Land Use/Development..... e.g., representation of landowners, developers and others in zoning, subdivision, planned unit developments, wetlands and other development and land use processes before federal, state and/or local governmental units.		0 %	0 %
c. Mortgages, Contracts for Deeds and Foreclosure .....		5 %	5 %
	e.g., representation of lenders* or borrowers in the purchase money financing, refinancing or other real estate secured lending, including negotiation of loan documents, foreclosure of mortgages or trustee's sales under deeds of trust and other exercises of remedies in the event of a default or breach under the financing documents.		
	Please complete the Financial Institutions Supplement if any income derived from representation of financial institutions.		
d. Landlord/Tenant..... e.g., representation of either landlords or tenants in the drafting and negotiation of lease terms, representation in litigation brought to challenge or enforce the lease, evict the tenant or collect amounts owing.		25 %	25 %
e. Construction Work and Mechanics' Liens .....		0 %	0 %
	e.g., representation of developers, contractors, lenders and land owners in connection with the construction of improvements upon real estate and claims (such as mechanics' liens) arising out of construction of such improvements.		
f. Real Estate Tax Abatement/Property Valuation .....		0 %	0 %
	e.g., representation of property owners before county agencies and courts in proceedings to contest property valuations and obtain abatements or refunds of assessed real estate taxes.		
g. Condominiums, Cooperatives, and Town Houses (Including Conversions)..... e.g., representation of developers, homeowners' associations, cooperative boards of directors, or individuals in the issues arising out of the common ownership and common rights of such schemes of property ownership.		10 %	10 %
h. Loan Workouts* .....		0 %	0 %
	e.g., representation of lenders*, borrowers, or federal or state regulatory agencies such as the Resolution Trust Corporation or a state superintendent of insurance connected with the restructuring of real estate secured loans that are in default.		
	Please complete the Financial Institutions Supplement if any income derived from representation of financial institutions.		
i. Other (Please describe) .....		0 %	0 %
	Total (Must equal 100%) .....	100 %	100 %



3. Do your legal services in connection with a property transfer or leasing transaction include documented protocols to evaluate:

- Whether the type of business in question creates, or may in the past have created, environmental problems? .....  Yes  No
- Whether any real or personal property owned or leased, now or in the past, or property to be acquired is likely to be contaminated by hazardous substances (e.g., asbestos, lead, PCBs, etc.)? .....  Yes  No
- Whether any specific site locations owned or leased, operated now or in the past, or property to be acquired are located in or are adjacent to ecologically sensitive areas (such as wetlands, flood plains, aquifers or conservation areas, etc.)? .....  Yes  No
- Whether any corporate entity connected to the client including all past and present parent subsidiaries, divisions and spin-offs has ever been fined, penalized, cited or sued for violating any federal, state or local environmental law or regulations? .....  Yes  No

4. Do you require:

- Investigation of potential, material environmental risks before resolution of price and other central terms and condition? .....  Yes  No
- A thorough review with the client of the economic impact of known environmental considerations and potential benefits of further identification or qualification of environmental risks, in property transfer or leasing transactions with potential material environmental exposure? .....  Yes  No

*If "No" to any part of Question 4, are clients advised in writing to seek independent professional evaluations of potential environmental exposures? .....  Yes  No*

**FLORIDA:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**KENTUCKY:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

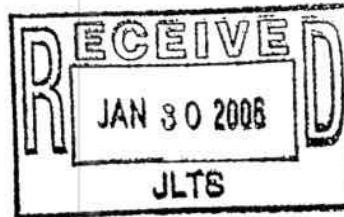
For all other applicable state fraud warnings, please see the main application.

NOTICE

Must be signed and dated by an Owner, Partner or Principal as duly authorized on behalf of the Applicant.

Signature of Owner, Partner or Principal

*Julie C. Hale*  *Porter*  *1/20/06*





St. Paul Travelers 1<sup>ST</sup> Choice<sup>SM</sup>  
Lawyers Professional Liability Insurance Plaintiff Litigation Supplement

St. Paul Fire and Marine Insurance Company, Saint Paul, Minnesota  
 St. Paul Mercury Insurance Company, Saint Paul, Minnesota  
 St. Paul Guardian Insurance Company, Saint Paul, Minnesota

Please complete this Supplement and submit it to St. Paul Travelers along with your completed Lawyers Professional Liability Insurance Application, (form 58459) if instructed to do so. You agree that this Supplement will become part of your application for Lawyers Professional Liability Insurance and is subject to the same terms.

1. Name(s) of Legal Entity(ies) to be insured (as referenced on your letterhead)

Citak & Citak

IF FIRM IS NEWLY ESTABLISHED, PLEASE PROVIDE YOUR BEST ESTIMATE.

2. Describe the types of cases handled (e.g. admiralty, aviation, asbestos, bodily injury, breast implant, commercial, discrimination, general liability, medical malpractice, personal injury, products, toxic tort, sexual harassment, tobacco, worker's compensation, unfair competition, wrongful death, etc.)

Arbitration

Commercial or Corporate  
Labor Litigation

General Liability

Bodily Injury/Personal Injury

Domestic Relations

3. What is the Firm's average litigation case load per year? ..... 50

4. What percentage of the Firm's litigation cases are settled before trial? ..... 98 %

5. What percentage of the Firm's litigation cases are tried to a verdict? ..... 1 - 2 %

6. What percentage of the Firm's litigation cases are handled on a contingency fee basis? ..... 50 %

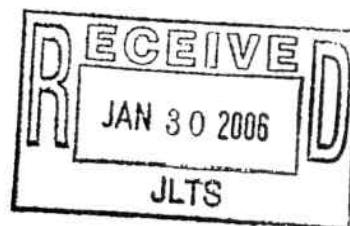
7. What is the estimated average dollar size of judgments, awards and settlements in the litigation cases handled by the Firm? ..... \$ 15,000

8. What is the largest judgment, award or settlement in a litigation case achieved by the Firm in the past five years? ..... \$ 2,200,000

9. Does the Firm take litigation case referrals from other law firms? .....  Yes  No  
*If yes, please indicate the approximate number of cases and the types involved. 4-5, Personal Injury, Commercial and Labor*

10. Does the Firm refer cases to other law firms? .....  Yes  No  
*If yes, please indicate the approximate number of cases and the types involved. 2-3, Compensation and Malpractice*

11. Has the Firm been involved in any class action plaintiff cases within the past five years? .....  Yes  No  
*If yes, please describe the type of case, the injury or loss involved and the number of plaintiff's involved.*



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**KENTUCKY:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

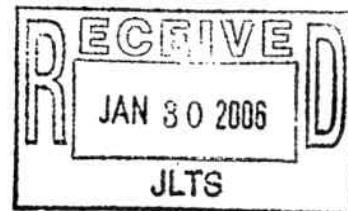
For all other applicable state fraud warnings, please see the main application.

NOTICE

Must be signed and dated by an Owner, Partner or Principal as duly authorized on behalf of the Applicant.

Signature of Owner, Partner or Principal

*Clinton Hale* *Partner* *1/20/06*



# EXHIBIT “2”

*Citak & Citak*  
Attorneys at Law

*Burton Citak*  
*Donald L. Citak*  
*Erik Raines*

270 Madison Avenue, New York, N.Y. 10016  
(212) 759-9585 / (800) 724-9585  
Fax (212) 759-2979

E-mail: dcitak@citaklaw.com  
bcitak@citaklaw.com  
eraines@citaklaw.com

*141789*

June 15, 2006

BY FAX (518-782-3139) AND BY MAIL  
JLT Services Corp.  
13 Cornell Road  
Latham, NY 12110  
Attn: Carleen

Re: Complaint of Mr. Stuart Marton against Attorney Donald L. Citak

Dear Carleen:

I wish to notify you of a potential claim that may be asserted against me by a former client, Stuart Marton. Please take whatever steps are necessary to notify our insurance carrier of this potential claim (Liberty Insurance Underwriters, inc, - prior to 4/28/06 and St Paul's Fire Marine Ins. Co. - after 4/28/06)

Mr. Marton filed a complaint against me with the Disciplinary Committee in New York. A copy of that complaint is annexed. Also enclosed please find a copy of my response thereto (w/o exhibits - please advise if you require copies of the documents referred to as exhibits). Lastly, enclosed is the reply that Mr. Marton filed in response thereto.

Initially, the Disciplinary Committee referred the matter to mediation, which concluded on June 15, 2006. During the course of the mediation process, which is designed to have the parties try to resolve their dispute, the designated mediator, Mark S. Arisohn, Esq., indicated that, from his perspective after reviewing the statements and documents, he did not believe that there was any disciplinary violation but that Mr. Marton may, should he wish to do so, pursue any remedy against me for potential malpractice.

While no claim has yet been formally asserted, given what has transpired, as described above, I believe I am obligated to notify you and the insurance carriers of this potentiality.

Please advise what else, if anything, you require from me at this time in connection herewith.

Very truly yours,  
*Donald L. Citak*

DLC/sd

# EXHIBIT “3”



ST. PAUL FIRE AND MARINE INSURANCE  
COMPANY  
MC 9275-508F  
385 Washington Street  
St. Paul, MN 55102  
Telephone: (651) 310-8393  
Fax: (866) 608-9632

June 20, 2006

Donald L. Citak  
Citak & Citak Attorney At Law  
270 MADISON AVENUE, SUITE 1203  
NEW YORK, NY 10016

Dear Mr. Citak,

This letter formally acknowledges ST. PAUL FIRE AND MARINE INSURANCE COMPANY's receipt of the above-referenced matter on 06/15/2006. Timothy C. Krsul will review this on the company's behalf and will contact you in the near future to discuss this matter. Timothy C. Krsul can be reached at (651) 310-5453.

In the meantime, ST. PAUL FIRE AND MARINE INSURANCE COMPANY must respectfully reserve any legal and policy defenses it may have in connection with this matter.

Sincerely,

ST. PAUL FIRE AND MARINE INSURANCE COMPANY  
Nhoua Yang  
Claim Support Spec  
Telephone: (651) 310-8393  
Fax: (866) 608-9632  
NYANG@STPAULTRAVELERS.COM

CC: Demetrius McCord  
JLT Services Corporation  
13 Cornell Road  
Latham, NY 12110-0000

Andrew Sutcliffe, St. Paul Travelers (via email only)

# EXHIBIT “4”

PAUL J. CURRAN, Esq.  
Chairman

HALIBURTON FALES, 2d, Esq.  
MARTIN R. GOLD, Esq.  
WILLIAM FRANCIS KUNTZ, II, Esq.  
ROY L. REARDON, Esq.  
STEPHEN L. WEINER, Esq.  
SPECIAL COUNSEL

EUGENE F. BANNIGAN, Esq.  
DR. JANE EISNER BRAM  
DOUGLAS W. BRANDRUP, Esq.  
CHRISTOPHER E. CHANG, Esq.  
ANN J. CHARTERS  
LISA D. CORRELL  
DENIS F. CRONIN, Esq.  
CHERYL DAVIS, Esq.  
JEAN E. DAVIS  
TELESFORD DEL VALLE JR., Esq.  
PAUL F. DOYLE, Esq.  
PATRICIA FARREN, Esq.

STEVEN N. FEINMAN, Esq.  
CHARLOTTE MOSES FISCHMAN, Esq.  
THOMAS FITZPATRICK, Esq.  
WILLIAM L. FREEMAN

WILLIAM A. GALLINA, Esq.  
PAUL G. GARDEPHE, Esq.  
JOSEPH STEVEN GENOVA, Esq.  
ALFRED G. GEROSA

ROBERT L. HAIG, Esq.  
WILLIAM E. HAMMOND, Esq.

PATRICIA HANDEL

PATRICIA HATRY, Esq.

PATRICIA M. HYNES, Esq.

SUSAN M. KARTEN, Esq.

STEPHEN E. KAUFMAN, Esq.

JOHN J. KENNEY, Esq.

DAVID G. KEYKO, Esq.

MYRON KIRSCHBAUM, Esq.

ANDREW M. LAWLER, Esq.

HON. ALFRED D. LERNER

FRANK J. LOVERRO, Esq.

MARY B. MAGUIRE

CHARLES C. MARINO

DOUGLASS B. MAYNARD, Esq.

JOHN W. McCONNELL, Esq.

LAWRENCE D. McGOVERN, Esq.

HAROLD F. McGuIRE, JR., Esq.

FITZGERALD MILLER

CHARLES G. MOERDLER, Esq.

MATHIAS E. MONE, Esq.

MERCEDES A. NESFIELD

LYNN K. NEUNER, Esq.

JANE W. PARVER, Esq.

ANTHONY M. RADICE, Esq.

TIMOTHY G. REYNOLDS, Esq.

MARTIN S. ROTHMAN, Esq.

REUBEN SAMUEL, Esq.

SAMUEL W. SEYMOUR, Esq.

DANIEL E. SIFF, Esq.

JOHN SIFFERT, Esq.

MARIAN E. SILBER, Esq.

EUGENE P. SOUTHER, Esq.

CHRISTINE COLLINS TOMAS

JOHN L. WARDEN, Esq.

ERIC J. WARNER, Esq.

SUSAN WELSHER

COMMITTEE MEMBERS

THOMAS J. CAHILL

CHIEF COUNSEL

SHERRY K. COHEN  
FIRST DEPUTY CHIEF COUNSEL

ANDRAL N. BRATTON  
DEPUTY CHIEF COUNSEL

CHRISTINE C. ANDERSON  
ANGELA CHRISTMAS  
NICOLE CORRADO  
KEVIN P. CULLEY  
JORGE DOPICO  
MADY J. EDELMAN  
JEREMY S. GARDER  
NAOMI F. GOLDSTEIN  
JOSEPH J. HESTER  
ROBERTA N. KOLAR  
JUN HWA LEE  
VITALY LIPKANSKY  
STEPHEN P. McGOLDRICK  
KEVIN E.F. O'SULLIVAN  
ORLANDO REYES  
JAMES T. SHED  
EILEEN J. SHIELDS  
JUDITH N. STEIN  
RAYMOND VALLEJO  
STAFF COUNSEL

DEPARTMENT OF DISCIPLINARY COMMISSION  
SUPREME COURT, APPELLATE DIVISION

FIRST JUDICIAL DEPARTMENT  
61 BROADWAY  
NEW YORK, N.Y. 10006  
(212) 401-0800  
FAX: (212) 401-0810

February 13, 2007

PERSONAL AND CONFIDENTIAL

Donald L. Citak, Esq.  
270 Madison Avenue  
Suite 1203  
New York, NY 10016-0601

Re: Complaint of Stuart E. Marton  
Docket No. 2005.3319

Dear Mr. Citak:

Following a careful investigation of the allegations in the complaint filed by Stuart E Marton against you, and after review by a member of the Departmental Disciplinary Committee, we have determined to take no further action and closed the file on this matter.

Very truly yours,

Thomas J. Cahill

D-PR/R JNS

# EXHIBIT “5”

*Citak & Citak*  
Attorneys at Law  
—  
*Burton Citak*  
*Donald L. Citak*

270 Madison Avenue, New York, N.Y. 10016  
(212) 759-9585 / (800) 724-9585  
Fax (212) 759-2979

E-mail: dcitak@citaklaw.com  
bcitak@citaklaw.com

February 15, 2007

JLT Services Corp.  
13 Cornell Road  
Latham, NY 12110

Re: Stuart E. Marton, et al vs .Citak & Citak, et al.  
Policy # 507JB067

Gentleman:

Please be advised that on this date, we received the enclosed notice from the Disciplinary Committee indicating that there is not further action to be taken by them.

Simultaneously, we were served on this date with the enclosed Summons and Complaint. Please arrange to forward same to Traveler's Insurance Company, St. Paul and Liberty who previously insured us and advise our office if they are prepared to represent our office in connection to this matter.

Your prompt attention to the foregoing would be greatly appreciated.

Very truly yours,

Burton Citak

BC/sd

# EXHIBIT “6”

March 5, 2007

Mr. Burton Citak, Esq.  
Citak & Citak  
270 Madison Avenue, Suite 1203  
New York, New York 10016

Re: Insured: Citak & Citak  
Policy: St. Paul Fire & Marine Insurance Company, Lawyers  
Professional Liability Policy No. 507JB0670, effective  
April 28, 2006 – April 28, 2007  
Matter: Stuart E. Marton et al. v. Citak & Citak et al.  
Tracking no.: MB12104  
Claim no.: 0507JB0670-22H001

Dear Mr. Citak:

I am writing in response to your letter of February 15, 2007 enclosing (1) a Notice from the Disciplinary Committee indicating that there would be no further action taken and (2) a Complaint in the above matter. This matter was submitted to me for review under St. Paul Fire & Marine Insurance Company ("St. Paul") Lawyers Professional Liability Policy No. 507JB0670 (the "Policy"). The Policy is subject to a \$1,000,000 limit of liability each claim and a \$5,000 deductible each claim.

After review of the Complaint, the allegations appear to involve the same circumstances which were involved in the disciplinary committee complaint which you previously reported to us. Unfortunately, there would not be coverage for the Complaint for the reasons below.

As stated in the pertinent section of the insuring agreement, the Policy provides coverage for damages for which a "claim" is first made against an insured and reported to us within the "policy period". In addition, under paragraph G of Section VII "Exclusions", the Policy does not apply to "claims" arising out of any error, omission, negligent act or "personal injury" occurring prior to the inception date of the Policy if any insured prior to the inception date knew or could have reasonably foreseen that such error, omission, negligent act or "personal injury" might be expected to be the basis of a "claim" or "suit". The Policy incepted on April 28, 2006 and has a policy period of April 28, 2006 to April 28, 2007.

On June 15, 2006, you notified your agent of a "potential" claim by letter dated June 15, 2006. The matter involved a complaint filed by Stuart Marton on December 23, 2005 with the Departmental Disciplinary Committee for the Supreme Court, Appellate Division.

According to Mr. Marton's disciplinary complaint, he hired your firm to represent him against a contractor who walked away from renovating his home in violation of a contract. You filed a lawsuit, which the court dismissed because the court said that the case had to be arbitrated. You filed for arbitration on Mr. Marton's behalf, but the AAA would not accept the case because the contractor would not agree to arbitration. Mr. Marton claims that you never informed him that the AAA would not take the case and did not generally respond to him thereafter. You allegedly did not return to court after the contractor refused to arbitrate.

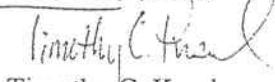
On February 8, 2006, your firm responded in writing to Mr. Marton's disciplinary complaint and denied his allegations. Under the circumstances, it appears that you knew or could have reasonably foreseen that this matter might be expected to be the basis of a claim prior to April 28, 2006.

Further, your firm's application for insurance, which is dated January 20, 2006, asks: "has any attorney for whom coverage is sought been . . . the subject of a disciplinary complaint. . . ." Your firm answered "no". The application required your firm to "immediately notify" St. Paul of any changes to any information in the application prior to the effective date of any policy issued by St. Paul. It does not appear that St. Paul was notified of this matter prior to April 28, 2006. It appears that now Mr. Marton has commenced a lawsuit against you arising out of these circumstances.

Consequently, it does not appear that this matter would be covered under the St. Paul Policy. This matter does not fall within coverage. It is otherwise excluded, and it was not timely reported. If you believe I have reached this conclusion in error, please advise me, and I will revisit coverage under the Policy. Accordingly, St. Paul will not be providing a defense or indemnification for the Complaint, and I will keep this file closed. Under the circumstances, St. Paul reserves all of its rights and defenses under the Policy and applicable law.

Please feel free to contact me with any comments or questions regarding the matters raised in this letter.

Very truly yours,

  
\_\_\_\_\_  
Timothy C. Krsul  
Professional E&O Claim Attorney  
St. Paul Mercury Insurance Company  
385 Washington Street  
St. Paul, MN 55102-1396  
Phone (651) 310 5453  
Fax (651) 310-3657  
Email tkrsul@stpaultravelers.com

Mr. Donald E. Cifak, Esq.

March 5, 2007

Page 3

cc: Demetrius McCord (JLT) via e-mail